



April 16, 2010

Mr. Joseph A. McNerney, President and CEO  
American Hotel & Lodging Association  
1201 New York Avenue, N.W., Suite 600  
Washington, DC 20005-3931

Dear Mr. McNerney:

Over the past few months, the U.S. EPA's ENERGY STAR program and the U.S. Green Building Council (USGBC) have heard various concerns from hospitality partners regarding the current hotel rating model in EPA's Portfolio Manager tool. We appreciate the time your members have spent reviewing the model, and we would like to assure you that we take input from our partners very seriously. Continuous improvement of EPA's tools is a critical component of the success the program has achieved over the years. In addition, the rating model is essential to the LEED rating system as a method for measuring energy performance. For this reason, EPA and USGBC have had numerous discussions in recent months, and have decided to partner together to better understand the hotel industry's questions, to examine the model, and to chart a more engaged path forward together with your industry.

As you know, the ENERGY STAR rating scale for hotels is based upon a statistical analysis of hotel properties from within the Department of Energy's Commercial Building Energy Consumption Survey (CBECS). CBECS is considered to be the most comprehensive, nationally representative data set available that includes both energy consumption information and building operating characteristics, and thus the EPA develops virtually all of its ratings from this source. However, EPA recognizes that additional data can help build validity for the model and ensure continuous improvement.

Based on input from hospitality partners about the lack of inclusion of certain key parameters that are commonly expected to drive energy consumption in hotels (e.g., occupancy, number of food and beverage "covers" per year; quantity of laundry processed onsite; square footage of gyms and spas), EPA introduced a number of optional inputs within Portfolio Manager in August 2009 to best assess the issues being raised. These inputs were selected through discussions with ENERGY STAR hospitality partners. EPA's hope was that hotel operators would input this optional data for a large and diverse group of hotel properties so that EPA could conduct a detailed analysis of these parameters to understand whether and how they are correlated with energy use in hotels. Based on the results of this analysis, EPA would be able to make any appropriate and necessary modifications to the hotel rating model to further enhance its utility. Up to this point, however, fewer than 30 hotel properties have provided complete information for these optional characteristics – a number that is too small to support a meaningful analysis.

Continued improvement of the rating model requires coordination and cooperation among EPA, USGBC, and your industry. For this reason, EPA and USGBC have prepared the attached Hotel Benchmarking Initiative Proposal for your review. The goal of this proposal is to quickly assemble a larger set of data for the optional building parameters referenced above. This data would help EPA and industry to develop a superior understanding of the effect these operational

parameters have on energy use and to assess the need for any modifications to the current hotel rating.

In order to ensure that this initiative succeeds, EPA and USGBC are asking for your support and the commitment of your hotel member organizations as leaders within the hospitality sector. If possible, we would like to set up a meeting with the newly formed ENERGY STAR Subcommittee of the Engineering and Environment Committee to formally present this request, discuss this effort in more detail, and hear any other concerns that your members may have. Representatives of EPA and USGBC will be in touch with you soon to set up this meeting. In the meantime, if you have any questions about the points raised in this letter, please do not hesitate to contact one or both of us directly.

Thank you,



Jean Lupinacci

Chief, ENERGY STAR® Commercial  
and Industrial Branch

U.S. Environmental Protection Agency



Brendan Owens

Vice President,  
Technical Development

U.S. Green Building Council

Cc:

Faith Taylor  
Chair, AH&LA Engineering and Environment Committee  
Corporate Vice President, Sustainability & Innovation, Wyndham Worldwide

Kevin Maher  
Senior Vice President, Governmental Affairs, AH&LA

Kathryn Potter  
Senior Vice President, Marketing & Communications, AH&LA



## Hotel Benchmarking Initiative Proposal

### Overview

The U.S. EPA's ENERGY STAR program and the U.S. Green Building Council are requesting the support of AH&LA's Engineering and Environment Committee to input more complete data on building operating parameters for their properties into the EPA's Portfolio Manager tool. This additional data will help EPA explore relationship between a larger set of hotel operating parameters and overall energy performance in hotels, and to determine if enhancements to the current hotel rating model need to be considered. In order to respond to questions from the hotel industry in a timely manner, the support and participation of a diverse group of hotel operators is required

### Participation Request

#### Benchmarking Needs

In order to conduct a thorough analysis, EPA and USGBC are requesting the following:

- Each hotel organization commits to benchmark *at least 50* of their company's domestic properties (*or a significant portion of its portfolio*), providing complete energy and building attribute data for each, including ***all optional building attributes***.
- AH&LA members who are not part of the Engineering and Environment Committee should also be invited to participate in this initiative.
- Properties should be selected ***randomly*** to the greatest extent possible, and cover all types of operations. In addition, the properties:
  - Should be of all energy performance ranges (not only the best or worst performing properties)
  - Should be located in multiple states
  - Should include a range in number of rooms
  - Should include a range in amenities
  - Should include multiple brands, if applicable
  - Should include multiple service levels, if applicable

While there is no specific number of properties required to allow EPA to complete a meaningful analysis, we estimate that we will require complete data (energy data and all required and optional building attributes) for a **minimum of 450 domestic properties from at least 8 different organizations and a variety of service levels**. However, the quality of the analysis is directly impacted by the amount of high quality data available, so while these are minimum requirements, *more data will be of great benefit to EPA, USGBC, and the industry.*

#### Timeframe

EPA and USGBC are requesting that all companies indicate their commitment to participate in this initiative by sending an e-mail to EPA no later than Friday, May 7.

EPA and USGBC request that data be entered completely into Portfolio Manager no later than COB on Friday, June 11th. At that time, an assessment will be made to determine if sufficient data has been entered for EPA to undertake a meaningful analysis. If sufficient data does exist, EPA will complete these analyses and report results back to the industry by August 6, 2010.

## How to Participate

Any organization wishing to participate should send an e-mail to Anna Stark at EPA ([stark.anna@epa.gov](mailto:stark.anna@epa.gov)) and Sara Schoen at USGBC ([sschoen@usgbc.org](mailto:sschoen@usgbc.org)) no later than Friday, May 7, indicating the organization name and the expected number of properties for which data will be provided. If available, additional information such as brands included, locations, etc. will also be useful.

For buildings already entered in Portfolio Manager

- Enter response for all hotel attributes (optional and required).
- Enter the most current energy data that is available, ensuring a minimum of 11 months of data for all fuels used.

For buildings not yet entered in Portfolio Manager

- *Option 1:* Log into your Portfolio Manager Account and create new buildings, entering all attribute data (optional and required) and entering the most current energy data, ensuring a minimum of 11 months of data for all fuels used.
- *Option 2:* Use a Portfolio Manager Import Template to upload 10 or more buildings via Excel spreadsheet. The import should include all attribute data (optional and required attributes) and at least one year of energy data for all fuels used.

## Resources

To assist you in this process, please refer to the following references:

- ENERGY STAR Hospitality page: [www.energystar.gov/hospitality](http://www.energystar.gov/hospitality)
- ENERGY STAR Hospitality Benchmarking Starter Kit:  
[http://www.energystar.gov/index.cfm?c=hospitality.bus\\_hospitality\\_bm\\_starter\\_kit](http://www.energystar.gov/index.cfm?c=hospitality.bus_hospitality_bm_starter_kit)
- Portfolio Manager Import Templates:  
[https://www.energystar.gov/istar/pmpam/help/Import\\_Facility\\_Data.htm](https://www.energystar.gov/istar/pmpam/help/Import_Facility_Data.htm)

## **Benefit to Industry Members**

By participating in this benchmarking initiative, your organization can help EPA and USGBC to better understand the relationship between various hotel operating characteristics and hotel energy performance. This information can be used to further analyze EPA's energy performance rating scale, to validate its performance, and to identify opportunities for enhancement. Through this process, our goal is to enhance the number of hotel properties benchmarking using the tool, the number of properties applying for the ENERGY STAR label, and the number of properties using ENERGY STAR benchmarking results as a prerequisite for LEED certification.

If you have any questions, please contact Anna Stark at EPA ([stark.anna@epa.gov](mailto:stark.anna@epa.gov)) or Sara Schoen at USGBC ([sschoen@usgbc.org](mailto:sschoen@usgbc.org)).